

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: Word World, LLC

Case No. 11-10543

Chapter 11

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs.

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. If the answer to an applicable question is "None," mark the box labeled None. If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within the two years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or person in control of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any person in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>AMOUNT</u>	<u>SOURCE (if more than one)</u>
4,936,680	2009 Gross Revenue (Calendar Year)
3,405,875	2010 Gross Revenue (Calendar Year)

2. Income other than from employment or operation of business

None ☒ State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>AMOUNT</u>	<u>SOURCE</u>
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3. Payments to creditors

None



- a. Individual or joint debtor(s) with primary consumer debts: List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF CREDITOR</u>	<u>DATE OF PAYMENTS</u>	<u>AMOUNT PAID</u>	<u>AMOUNT STILL OWING</u>
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- b. Debtor whose debts are not primary consumer debts: List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$5,475. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF CREDITOR</u>	<u>DATE OF PAYMENTS</u>	<u>AMOUNT PAID</u>	<u>AMOUNT STILL OWING @2/9/11</u>
Challenger Soulutions LLC	11/16/2010	16,138.76	
2525 McKinnon St. Suite 300 LB# 602 Dallas, TX 75201	12/16/2010	14,000.00	0.00
HLC Production	12/02/2010	98,040.00	
1 Rue Robert Et Sonia Delaunay, 75011 Paris France	12/03/2010	45,902.00	0.00
Joan S. Grant, ESQ	12/07/2010	6,210.00	13,027.50
115 Carthage Road Scardale, NY 10583			
Lynn & Cahill LLP	01/17/2011	7,000.00	0.00
58 West 40th Street, New York NY 10018			
Mighty Play	01/13/11	26,592.50	0.00
1620 Montgomery Street #310, San Francisco CA 94111			
NYS Department of Taxation & Finance	11/16/2010	12,006.28	0.00
PO Box 4127, Binghamton NY 13902-4127			
Oxford Health Plans	11/30/2010	3,598.57	
PO Box 1697 Newark, NJ 07101-1697	11/30/2010	1,745.28	
	12/23/2010	1,964.75	
	12/23/2010	2,589.12	3,803.46
The A Team Executive Management Inc.	11/16/2010	7,220.00	
15 West 36th Street 11th Floor New York, NY 10018	12/16/2010	5,720.00	10,960.00
Wollmuth Maher & Deutsch LLP	12/09/2010	2,500.00	
500 Fifth Avenue, New York NY 10110	01/05/2011	30,000.00	
	01/28/2011	5,000.00	
	02/01/2011	55,000.00	0.00

- c. All debtors: List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR</u>	<u>DATE OF PAYMENTS</u>	<u>AMOUNT PAID</u>	<u>AMOUNT STILL OWING @2/9/11</u>
Alex Kay - Ex-Officer, Ex-Director, >5% owner	05/13/2010	3.330	
225 Underhill Road. South Orange NJ 07079	08/26/2010	1.184	339.328 Compensation
Don Moody - Officer, Director, >5% owner	04/08/2010	2.472	
167 Hudson Terrace. Piermont NY 10968	06/15/2010	2.399	
	06/15/2010	13.282	
	07/20/2010	440	
	08/20/2010	78	1.296.875 Compensation
Friedman Law Group	02/11/2010	10.000	268.569 Compensation
Gary Friedman - Director, >5% owner			Legal Expense
270 Lafayette Street Suite 1410 NY, NY 10012			Note Payable
Market Visions LLC	07/22/2010	12.419	
Michael Parness - >5% owner	12/16/2010	11.489	
20 River Ter. Apt 8M. New York NY 10282	12/16/2010	37.036	Note Payable +
	01/10/2011	52.781	92.829 Accrued Interest

4. Suits and administrative proceedings, executions, garnishments and attachments

- a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>CAPTION OF SUIT AND CASE NUMBER</u>	<u>NATURE OF PROCEEDING</u>	<u>COURT OR AGENCY AND LOCATION</u>	<u>STATUS OR DISPOSITION</u>
Unemployment Insurance Audit 47-15279 1	Random employers audit - 1/1/07 to 12/31/09	NYS Department of Labor 75 Varick Street. Floor 7 New York, NY 10013	Ongoing
Kyle Morris et al vs Don Moody et al 08-CV-7683 (JSR)	Request for reconsideration of Amended Complaint Claims for copyright and patent infringement	US District Court Southern District of New York	Case dismissed. request denied
Peter Schneider vs. Word World LLC 09-602855	Dispute over compensation due under employment agreement	Supreme Court, State of New York County of New York	In mediation

- b. Describe all property that has been attached, garnished or seized under any legal or equitable process within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED</u>	<u>DATE OF SEIZURE</u>	<u>DESCRIPTION AND VALUE OF PROPERTY</u>
NYS Department of Taxation & Finance PO Box 4127, Binghamton NY 13902-4127	4/9/2010 11/16/2010	\$7,950.83 cash for IT-204 12/31/06 Penalty \$12,006.28 cash for IT-204 12/31/08 Penalty

5. Repossessions, foreclosures and returns

- None ☒ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF CREDITOR OR SELLER</u>	<u>DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN</u>	<u>DESCRIPTION AND VALUE OF PROPERTY</u>
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6. Assignments and receiverships

- None ☒ a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF ASSIGNEE</u>	<u>DATE OF ASSIGNMENT</u>	<u>TERM OF ASSIGNMENT OR SETTLEMENT</u>
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- None ☒ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF CUSTODIAN</u>	<u>NAME OF LOCATIN OF COURT CASE TITLE AND NUMBER</u>	<u>DATE OF ORDER</u>	<u>DESCRIPTION AND VALUE OF PROPERTY</u>
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7. Gifts

- None ☒ List all gifts or charitable contributions made within one year immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF PERSON OR ORGANIZATION</u>	<u>RELATIONSHIP TO DEBTOR, IF ANY</u>	<u>DATE OF GIFT</u>	<u>DESCRIPTION AND VALUE OF GIFT</u>
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8. Losses

- None ☒ List all losses from fire, theft, other casualty or gambling within one year immediately preceding the commencement of this case or since the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>DESCRIPTION AND VALUE OF PROPERTY</u>	<u>DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS</u>	<u>DATE OF LOSS</u>
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9. Payments related to debt counseling or bankruptcy

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within one year immediately preceding the commencement of this case.

<u>NAME AND ADDRESS OF PAYEE</u>	<u>DATE OF PAYMENT NAME OF PAYER IF OTHER THAN DEBTOR</u>	<u>AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY</u>
Wollmuth Maher & Deutsch LLP	12/09/2010	2,500.00
500 Fifth Avenue, New York NY 10110	01/05/2011	30,000.00
	01/28/2011	5,000.00
	02/01/2011	55,000.00
Halperin Battaglia Raicht, LLP	10/28/2010	10,000.00
555 Madison Avenue, 9th Floor, New York NY 10022		

10. Other transfers

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within two years immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE,
RELATIONSHIP TO DEBTOR

DATE

DESCRIBE PROPERTY TRANSFERRED
AND VALUE RECEIVED

- None ☒ b. List all other property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER
DEVICE

DATE(S) OF
TRANSFER(S)

AMOUNT OF MONEY OR DESCRIPTION
AND VALUE OF PROPERTY OR DEBTOR'S
INTEREST IN PROPERTY

11. Closed financial accounts

- None ☒ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION

TYPE OF ACCOUNT, LAST FOUR
DIGITS OF ACCOUNT NUMBER
AND AMOUNT OF FINAL BALANCE

AMOUNT AND
DATE OF SALE
OR CLOSING

12. Safe deposit boxes

- None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF BANK OR OTHER
DEPOSITORY

NAME AND ADDRESSES
OF THOSE WITH ACCESS
TO BOX OR DEPOSITORY

DESCRIPTION
OF
CONTENTS

DATE OF TRANSFER
OR SURRENDER
IF ANY

13. Setoffs

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATE OF
SETOFF

AMOUNT OF
SETOFF

Orda Korea Co. Ltd.

Kyum-San BP 629-3 Yeoksam-dong, Kargnam-gu. Seoul 135080 South Korea

12/31/2010

\$2.862 for legal fees related to Korean trademark
set-off against amount due to debtor

14. Property held for another person

None ☒ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS
OF OWNER

DESCRIPTION AND
VALUE OF PROPERTY

LOCATION OF PROPERTY

15. Prior address of debtor

If the debtor has moved within the three years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

1414 Avenue of the Americas, Floor 3, New York, NY 10019

Word World LLC

Jun 2009 - Sep 2010

265 Canal Street, Floor 2, New York, NY 10013

Word World LLC

Nov 2007 - Jun 2009

16. Spouses and Former Spouses

None ☒ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight-year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None ☒ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME
AND ADDRESS

NAME AND ADDRESS
OF GOVERNMENTAL UNIT

DATE OF
NOTICE

ENVIRONMENTAL
LAW

- None ☒ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

<u>SITE NAME AND ADDRESS</u>	<u>NAME AND ADDRESS OF GOVERNMENTAL UNIT</u>	<u>DATE OF NOTICE</u>	<u>ENVIRONMENTAL LAW</u>
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- None ☒ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

<u>NAME AND ADDRESS OF GOVERNMENTAL UNIT</u>	<u>DOCKET NUMBER</u>	<u>STATUS OR DISPOSITION</u>
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18. Nature, location and name of business

- None ☒ a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was a self-employed professional within the six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the two years immediately preceding the commencement of this case. If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the six years immediately preceding the commencement of this case. If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the six years immediately preceding the commencement of this case.

<u>NAME</u>	<u>TAXPAYER I.D. NUMBER</u>	<u>ADDRESS</u>	<u>NATURE OF BUSINESS</u>	<u>BEGINNING AND ENDING DATES</u>
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- None ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

<u>NAME</u>	<u>ADDRESS</u>
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within the six years immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or otherwise self-employed.

(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within the six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

- a. List all bookkeepers and accountants who within the six years immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESSDATES SERVICES RENDERED

The A Team Executive Management, Inc. (Outsourced Controller/CFO)
 Martha Harrison/David Drucker
 15 W 36th Street, 11th Floor, New York, NY 10018

Dec 2009 - Present

Challenger Solutions LLC (Interim CFO)
 Mark Shapiro
 2525 McKinnon St. Suite 300, Dallas TX 75201

Oct 2010 - Present

Alex Kay (SVP/CFO)
 225 Underhill Road, South Orange NJ 07079

Feb 2004 - Aug 2010

Priscilla Popov (Controller)
 58 Grace Avenue, Great Neck NY 11021

Jan 2008 - Nov 2009

Raymond Ficken (Controller)
 285 Grace Avenue, Secaucus NJ 07094

Aug 2005 - Dec 2007

Greg Slowick (CFO)
 6 Franklin Ave, Westport CT 06880

Jul 2007 - Dec 2008

Organize Us (Outsourced Controller)
 Karen Pitkoff
 1273 North Avenue, New Rochelle NY 10804

Jan 2005 - Jul 2005

- b. List all firms or individuals who within the two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAMEADDRESSDATE SERVICES RENDERED

Citrin Cooperman & Company LLP
 Michael Rhodes, Partner

529 Fifth Avenue, New York, NY 10017

Apr 2007 - Jul 2010

None



- c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAMEADDRESS

- d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued within the two years immediately preceding the commencement of this case by the debtor.

Information has been sent to various constituencies, some of these parties include:

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE ISSUED **</u>
Enhanced Capital Partners, Inc	201 St Charles Ave. Suite 3700	April 2009
Palisade Capital Management	One Bridge Plaza Suite 695	November. 2010
Alan Fournier	26 Main Street.suite 203	November. 2010
Joseph Pelligrino	17 Nugent Street	November. 2010
David Kay	11850 Maidstone Drive	November. 2010
Fiametta Button	Flat 13. 17/18 Nevem Place	November. 2010
Morton Silver	225 Park Avenue South 2nd Fl	November. 2010
Stanley Arkin	P O. Box 1457	November. 2010
Steven Bassock	84 Turning Mill Lane	November. 2010
Armory Ross	169 Wellington Avenue	November. 2010
George Lucas	19 Bay Ridge Rd	November. 2010
Mary Clancy	4 Vince Road	November. 2010
Bradley Razook	260 Locust Avenue	November. 2010
Laurent deMarval	280 Park Avenue. 10th Floor	November. 2010
Peter Pickette	80 East End Avenue. #15E	November. 2010
Albert Reese	4905 high Creek Dr.	November. 2010
Am Schoch	1145 West 7th Avenue	November. 2010
Bruce Conway	5514 Wenonah Drive	November. 2010
Jabco LP	10 Weybosser Street Ste. 106	November. 2010
Morton Gerwitz	43 West 64th Street Apt 5b	November. 2010
Noreen Fitzgerald	49 Chestnut CT	November. 2010
William Palmer	561 Broadway, Suite 10C	November. 2010
Anthony Grant	sent via email	November. 2010
Bryan McShane	sent via email	November. 2010
William Pinkham	sent via email	November. 2010
Adam Goldfarb	111 3rd Street	November. 2010
Cornelius Clancy	910 Bingham Street Apt. J	November. 2010
Daniel Larson	3250 Woodland Shores Dr	November. 2010
Dawn Kaplan	61 14th Street	November. 2010
Edward Prins	39 Cheryl Hills Dr	November. 2010
Giridhar Korlipara	18 Southgate Road	November. 2010
J. Geddes Parsons	17 Water Street A9	November. 2010
Joe Cohen	1801 Peachtree Street, Ste 300	November. 2010
Lawrence Arvidson	14177 Alder St. AW	November. 2010
Michael Lusk	4190 South Lake	November. 2010
Michael Matilsky	21 Willow Wood Drive	November. 2010
Pamela Yazgi	14 Cedarwood Lane	November. 2010
Stephen Keyser	458 Hamburg Tpk	November. 2010
Thomas Harrigan	6 Carla Court	November. 2010
David Caleca	301 East 48th Street. 8B	November. 2010
Robert Laden	444 E. 82nd Street. 10N	November. 2010
Gary Laden	128 Pacific Street	November. 2010

** - Financial Statements were sent quarterly to convertible note holders

20. Inventories

- None ☒ a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

<u>DATE OF INVENTORY</u>	<u>INVENTORY SUPERVISOR</u>	<u>DOLLAR AMOUNT OF INVENTORY</u> (Specify cost, market or other basis)
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- None ☒ b. List the name and address of the person having possession of the records of each of the two inventories reported in a , above.

<u>DATE OF INVENTORY</u>	<u>NAME AND ADDRESSES OF CUSTODIAN</u> <u>OF INVENTORY RECORDS</u>
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21. Current Partners, Officers, Directors and Shareholders

- None ☒ a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

<u>NAME AND ADDRESS</u>	<u>NATURE OF INTEREST</u>	<u>PERCENTAGE OF INTEREST</u>
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- b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

<u>NAME</u>	<u>ADDRESS</u>	<u>TITLE</u>	<u>NATURE AND PERCENTAGE</u> <u>OF STOCK OWNERSHIP</u>
Don Moody	167 Hudson Terrace Piermont NY 10968	CEO	26.3% Member Interest
Peter Schneider	18 Eugene Drive Montville NJ 07045		9.0% Member Interest
Michael Parness	20 River Terrace #8M New York NY 10282		9.0% Member Interest
Alex Kay	225 Underhill Road South Orange NJ 07070		7.7% Member Interest
Gary Friedman	5 White Street Apt 3c New York NY 10013	Director	7.4% Member Interest
Jon Bressner	1040 Washington Avenue Plainview NY 11803	Director	4.0% Member Interest
Sean Largotta	c/o The Lion 62 West 9th St New York NY 10013	Director	

22. Former partners, officers, directors and shareholders

- None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within one year immediately preceding the commencement of this case.

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE OF WITHDRAWAL</u>
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- b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

<u>NAME</u>	<u>ADDRESS</u>	<u>TITLE</u>	<u>DATE OF TERMINATION</u>
Alex Kay	225 Underhill Road South Orange NJ 07070	SVP/CFO	8/31/10 - SVP/CFO 12/13/10 - Director

23. Withdrawals from a partnership or distributions by a corporation

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during one year immediately preceding the commencement of this case.

<u>NAME AND ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR</u>	<u>DATE AND PURPOSE OF WITHDRAWAL</u>	<u>AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY</u>
Alex Kay	2/16/2010 - Salary	9.884
225 Underhill Road. South Orange NJ 07079	2/26/2010 - Salary	9.884
Ex-Officer and Ex-Director	3/15/2010 - Salary	10.884
	3/31/2010 - Salary	9.884
	4/15/2010 - Salary	9.884
	4/30/2010 - Salary	9.884
Don Moody	2/16/2010 - Salary	15.365
167 Hudson Terrace. Piermont NY 10968	2/26/2010 - Salary	15.365
Officer and Director. >5% Shareholder	3/15/2010 - Salary	9.031
	3/31/2010 - Salary	13.282
	4/15/2010 - Salary	13.282
	4/30/2010 - Salary	13.282
	6/10/2010 - Salary	26.563
	10/15/2010 - Salary	10.417
	10/29/2010 - Salary	31.250
	11/15/2010 - Salary	20.833
	12/9/2010 - Salary	20.833
	12/15/2010 - Salary	20.833
	1/14/2011 - Salary	20.833

24. Tax Consolidation Group

None ☒ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within the six-year period immediately preceding the commencement of the case.

NAME OF PARENT CORPORATIONTAXPAYER IDENTIFICATION NUMBER**25. Pension Funds**

None ☒ If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within the six-year period immediately preceding the commencement of the case.

NAME OF PENSION FUNDTAXPAYER IDENTIFICATION NUMBER

[If completed by an individual or individual and spouse]


I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date _____ Signature _____
of Debtor

Date _____ Signature _____
of Joint Debtor
(if any)

[If completed on behalf of a partnership or corporation]

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 3/16/11 Signature 

DON MOODY CEO
Print Name and Title

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. § 152 and 3571